

journal

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Taking one more step toward wind

The amount of wind generation BPA is integrating into its balancing authority area is increasing, and that means the need for load following and regulation capabilities is increasing too. The agency has issued a Request for Information (RFI) to determine the potential availability, structure and price range of additional generation inputs for load following and regulation that is required to help integrate large amounts of renewable resources. The load following and regulation services can be provided by generation resources or by load interruption.

BPA now has 1,500 megawatts of wind on line and expects it to double in the next two to three years. While wind is a valuable source of renewable energy that can reduce reliance on fossil fuels, it is intermittent, and changes in power output can be swift. Generation inputs are necessary to maintain a balance of generation and load.

BPA currently provides generation inputs from the federal hydropower system. But at times, there may be conflicts between operating the hydro system for integration of wind generation and operating the hydro system for BPA's other obligations, such as fish protection.

The RFI will give BPA an idea of the cost and availability of generation inputs from nonfederal entities. The deadline for responses is Sept. 26. BPA will disclose a summary of the total megawatts of third party supplied services that may be available and the general potential impact on BPA's costs.

For more information, visit www.bpa.gov/corporate/ratecase/2008/2010_BPA_Rate_Case/notices.cfm.

Redden decides against science panel

Judge James Redden of the U.S. Federal District Court of Oregon denied plaintiffs' request for an independent scientific review of the government's latest biological opinion. The Aug. 21 hearing was part of ongoing litigation on Federal Columbia River Power System operation under the Endangered Species Act. The biological opinion contains a set of strategies and actions to protect Columbia River Basin salmon.

The state of Oregon and the National Wildlife Federation sought the separate science review, saying the new plan was similar to those Redden had rejected in the past. Earthjustice, along with numerous other

public interest groups, also asked the court for an independent scientific review of the plan.

In denying the request, Judge Redden said, "I don't want to pull the plug; I want to talk." After hearing the government and other parties' arguments about how the latest plan does not represent the status quo, the judge said, "No doubt, the effort made in this BiOp is remarkable."

The U.S. Department of Justice said the plan has benefited from both independent science review and extensive collaboration from a variety of stakeholders in the region. Many of these stakeholders – tribes and states, plus other regional interests – spoke in support of the new biological opinion. They underscored the collaborative discussions and more than 200 meetings that have taken place in a more than two-year process aimed at finding areas of commonality and agreement.

The parties involved in the case will be working in the coming weeks to establish a schedule for further analysis and discussion. They will present arguments on whether the biological opinion is legally adequate later this fall.

Contract template release marks milestone

BPA completed a major milestone last month toward reaching new 20-year agreements with its public and investor owned utility customers. The agency released final templates for Long-Term Regional Dialogue power sales contracts.

"This is a very important step in assuring the value of the federal power system continues to benefit the region," said Mark Gendron, vice president, Northwest Requirements Marketing. "These contracts will preserve the value of the Columbia River hydro system by offering Northwest utilities clean, low-cost, safe and reliable power through fiscal year 2028."

The contracts reflect several years of regional collaboration and establish a new rate structure that will ensure BPA recovers its costs, provide customers choices to meet load growth, promote conservation, and equitably share the benefits of BPA's low-cost power with region.

BPA is now working with its customers to finalize and sign the contracts by Dec. 1.



For more information on the Long-Term Regional Dialogue, its products and processes, see the fact sheet "A roadmap to the provisions of Regional Dialogue contracts and tiered rates," available at www.bpa.gov/corporate/pubs/fact_sheets/08fs/.

Wind workshop draws world's experts

Seventy-five wind experts from around the world came to Portland, Ore., this summer for an International Wind Forecasting workshop co-sponsored by BPA and the California Independent System Operator. Leading European and U.S. wind forecasting firms spoke at the two-day workshop.

"Wind forecasting is all about efficient use of available resources," said John Pease, a project manager for BPA's Technology Innovation program. "Accurate wind forecasting lowers costs of wind for everyone, utilities and developers alike."

Utility operators need highly accurate forecasts of wind farm energy not just for the operating day but within the current operating hour. When generation schedules of expected energy prove wrong, dispatchers must provide backup services to keep the lights on. This can get expensive.

BPA is searching for new wind forecasting technologies and is funding research and development to improve short-term forecasting of extreme wind fluctuations in the Northwest. BPA also is collaborating with the California Independent System Operator to develop a highly accurate day-ahead, hour-ahead and near-real time wind energy forecasting system.

To view presentations given at the workshop, visit www.bpa.gov/corporate/business/innovation/iwftm.cfm.

Habitats get help

This summer, BPA completed a property acquisition to support wildlife habitat mitigation in Idaho, and the



The proposed conservation easement in Montana's Jocko River Watershed would protect critical habitat for bull trout, pictured here.

agency is currently working on several other projects that would help habitats around the Northwest.

BPA funded the acquisition of 24 acres along Smith Creek in northern Idaho to contribute to the long-term plan of managing wetlands in the Kootenai floodplain and restoring the creek. Idaho Department of Fish and Game, which owns the property, will incorporate the land into the Smith Creek Wildlife Management Area and manage the land in a way that protects and enhances the habitats.

Currently in the works are proposals for two more acquisitions in Idaho, a conservation easement in Montana to protect trout habitat in the Jocko River watersheds and an acquisition in Washington to protect tidal wetlands of the Columbia River. Combined, these acquisitions would protect nearly 1,000 acres.

Fact sheets on each of these land acquisitions are available at www.efw.bpa.gov/.

publicinvolvement

updates and notices

AGENCY – PROJECTS UNDER REVIEW

Integrated Program Review – Regionwide

BPA closed its public comment period Aug. 15 on the public process for establishing program costs for Power and Transmission for 2010–2011. The results of this process will be reflected in upcoming Power and Transmission rate cases, which will begin this fall. BPA will review and consider the 15 formal comments received as final decisions are made. A closeout workshop for the 2010–2011 program costs will be scheduled in late September. For more information, go to www.bpa.gov/corporate/Finance/ibr/.

WI-09 Wind Integration Rate Case – Regionwide

BPA is proposing a new transmission rate to recover the costs of balancing the variable output of wind farms in its control area within each hour. The rate would be in effect for one year from

October 2008 to September 2009, and would be charged to wind power producers in BPA's control area. BPA and a significant number of rate case parties have signed a settlement agreement under which BPA is proposing a monthly rate of 68 cents per kilowatt of installed wind capacity. Comments were accepted through April 15. BPA issued a ROD June 30 and submitted the proposed rate to FERC for approval for the rate to become effective Oct. 1. For more information, go to www.transmission.bpa.gov/Business/Rates_and_Tariff/2009WindIntegRateCase.cfm.

FISH AND WILDLIFE – PROJECTS UNDER REVIEW

Chief Joseph Hatchery Program – Okanogan County, Wash.

The Northwest Power and Conservation Council recommended that BPA study a program sponsored by the Confederated

Tribes of the Colville Reservation to assist in conservation and recovery of summer/fall chinook salmon in the Okanogan subbasin and the Columbia River below Chief Joseph Dam. This program would include a new hatchery near the base of Chief Joseph Dam and acclimation ponds throughout the Okanogan River subbasin. The use of the proposed facilities to reintroduce spring chinook salmon in the Okanogan subbasin is also being considered. The program would augment the ceremonial and subsistence harvest of salmon for the Colville Tribes and would be designed to have no effect on Chief Joseph Dam operations. Public meetings on the draft EIS were held and comments were accepted through June 18, 2007. A final EIS and ROD are expected by late summer 2008. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/.

Lyle Falls Fish Passage Project – Klickitat County, Wash.

BPA issued the Lyle Falls Fish Passage draft EIS for public review on March 19. BPA prepared the analysis along with its cooperating agencies: Yakama Nation, Washington Department of Fish and Wildlife and the U.S. Forest Service. The draft EIS addresses the proposed modification and upgrade to the existing fishway to improve fish access to upper reaches of the Klickitat River, meet state and federal fish passage standards and assist biologists in collecting valuable biological (fisheries) information. Comments on the draft EIS were accepted until May 12 and a public meeting was held April 16. The final EIS is currently being prepared and is expected to be issued in fall 2008. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Lyle_Falls/.

Northeast Oregon Hatchery Program, Grande Ronde-Imnaha Spring Chinook Hatchery Project – Wallowa County, Ore.

BPA has conducted value engineering, land acquisition and final design according to the initial ROD signed March 11, 2005. A ROD authorizing construction is planned for late summer 2008. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Grand_Ronde/.

POWER – PROJECTS UNDER REVIEW

Average System Cost Methodology – Regionwide

BPA completed its Average System Cost Methodology (ASCM) ROD in June after reviewing comments received on a draft ROD. The ROD responds to comments received during the ASCM consultation process, and presents the administrator's decisions on all issues raised. The ASCM presented in the ROD redefines the types of capital and expense items includable in ASCs and will be used to determine the ASC of resources for regional electric utilities that participate in the REP authorized by section 5(c) of the Northwest Power Act. BPA filed the final ASCM and ROD with FERC in early July 2008. BPA will offer Residential Purchase and Sale Agreements this month and implement the REP beginning Oct. 1, 2008. For more information, go to www.bpa.gov/corporate/Finance/ascm.

Bridge Net Requirement Block Agreements – Regionwide

BPA will issue a Bridge Net Requirement (NR) Block Report this month regarding its plan to establish a new NR contract for FY 09–11. At the time of the report release, BPA will also provide utilities requesting a Bridge NR Block such contracts, which are based on the original subscription contract provisions that provided investor-owned utilities access to federal power at the NR Block rate. BPA is authorized by the Northwest Power Act to sell power via contract to investor-owned utilities to meet their net requirements. The Bridge NR Block Agreements contract will be in effect from Oct. 1, 2008, through Sept. 30, 2011. For more information, go to www.bpa.gov/corporate/finance/ascm/letters.cfm.

FCRPS Draft Systemwide Cultural Resources Programmatic Agreement – Regionwide

The Federal Columbia River Power System Draft Systemwide Cultural Resources Programmatic Agreement (PA) covers the management of historic properties affected by the multi-purpose operations of 14 FCRPS hydro projects. It provides the systemwide principles and commitments for the Lead Federal Agencies' compliance with Section 106 of the National Historic Preservation Act. Comments on the draft PA were accepted through May 11 and are currently being addressed. A new version of the PA and a comment/response spreadsheet explaining how comments were addressed will be available in fall or winter 2008. For more information, go to www.efw.bpa.gov/environmental_services/fcrps.aspx.

New Large Single Load Adjustments for FY 02–08 – Regionwide

BPA accepted comments on New Large Single Load (NLSL) determinations and adjustments to its FY 02–08 Average System Cost (ASC) estimates to be used in BPA's WP-07 Supplemental Proceeding through July 2. Because BPA and exchanging utilities have implemented Residential Exchange Program (REP) settlements since 1996, utilities did not file NLSL information with BPA during that period. BPA has analyzed the data provided by utilities intending to participate in the REP beginning Oct. 1, 2008, and has made NLSL estimates used in calculating the utilities' respective FY 02–08 ASCs. The analysis shows the identified NLSLs, the resource costs associated with serving such loads and the resulting ASC adjustments. For more information, go to www.bpa.gov/corporate/finance/ascm/letters.cfm.

Regional Dialogue contract templates – Regionwide

BPA released final templates for Long-Term Regional Dialogue power sales contracts in August for public and investor-owned utility customers, a major milestone on the path to new 20-year agreements that will be signed later this year. All contracts include the same standard clauses and are the culmination of several years of regional collaboration exploring how to establish a new tiered rate structure that will ensure BPA recovers its costs, provides customers choices to meet load growth, promotes conservation, and equitably shares the benefits of BPA's low-cost power with the region. BPA is now working with its customers to develop individual contracts that include customer specific information so they can be finalized and signed by BPA no later than Dec. 1, 2008. The final templates are the result of over a year of intensive negotiations with customers, trade organizations and other interested individuals based on BPA's Long-Term Regional Dialogue Final Policy and ROD (July 2007). The templates were also designed to mesh with BPA's Tiered Rate Methodology that is being developed in a 7(i) rate proceeding. For more information on the Long-Term Regional Dialogue, its products and processes, see the fact sheet "A roadmap to the provisions of Regional Dialogue contracts and tiered rates," available at www.bpa.gov/corporate/pubs/fact_sheets/08fs/.

Residential Purchase and Sales Agreements – Regionwide

BPA will issue a final ROD this month regarding its offering of short-term and long-term Residential Purchase and Sale Agreements (RPSA) to utilities wishing to participate in the Residential Exchange Program (REP) starting in FY 2009. Before BPA finalized the ROD, staff considered the six formal comments received on the agreements; the public comment period closed June 16. In early September, BPA provided Bridge RPSA contracts to those utilities requesting one, which will implement the REP from Oct. 1, 2008, through the time the Regional Dialogue Long-Term RPSA takes effect, currently scheduled for Oct. 1, 2011. The Regional Dialogue Long-Term RPSA was offered in conjunction with the rest of the Regional Dialogue Long-Term Contracts. For more information, go to www.bpa.gov/corporate/finance/ascm/letters.cfm.

Tiered Rate Methodology – Regionwide

The Tiered Rate Methodology (TRM) establishes a rate design that creates a predictable and durable means by which to tier BPA's Priority Firm rate. Actual rate levels will be set in Northwest Power Act section 7(i) rate proceedings for two-year rate periods beginning in FY 2012, consistent with the TRM. BPA submitted an initial proposal for its Tiered Rate Methodology (TRM) for publication in the Federal Register May 6. A prehearing conference was held May 9. BPA and parties agreed to waive the rules of Ex Parte and enter into a series of settlement discussions in June and a set a second pre-hearing conference, held July 9. BPA accepted comments on the initial proposal through Aug. 13. BPA expects to conclude the process late this month when the final ROD will be issued. For more information, go to www.bpa.gov/corporate/ratecase/2008/2008_TRM/.

WP-07 Supplemental Wholesale Power Rate Case – Regionwide

BPA released a draft ROD in late August outlining its draft decisions in the WP-07 Supplemental rate proceeding. The draft ROD was released to rate case parties, who will respond to the draft decisions in their Briefs on Exceptions on Sept. 3. The administrator's Final Supplemental ROD will be published Sept. 22 in time for revised FY 2009 rates to be effective Oct. 1, 2008. BPA held the WP-07 Supplemental Wholesale Power Rate Adjustment Proceeding to respond to rulings from the Ninth Circuit Court regarding the 2000 Residential Exchange Program (REP) Settlement Agreements and the allocation of their costs to power rates paid by consumer-owned utilities. The proceeding will result in revised power rates for FY 2009 and the foundation for the future implementation of the REP under the NW Power Act. For more information, go to www.bpa.gov/corporate/ratecase/.

TRANSMISSION – PROJECTS UNDER REVIEW

Golden Hills Wind Farm Interconnection – Sherman County, Ore.

BP Alternative Energy requested interconnection of 200 MW of power generated from the proposed Golden Hills Wind Project that would be located in Sherman County, Ore. BPA proposed to interconnect 200 MW by installing equipment and expanding PGE's existing Biglow Substation. BPA would also purchase a portion of the substation and the control house. Comments on this project were accepted through June 30. BPA will analyze project impacts in a tiered ROD under the Business Plan EIS. The ROD is scheduled to be completed this year. For more information, go to www.transmission.bpa.gov/PlanProj/Wind/.

Kittitas Valley Wind Project Interconnection – Kittitas County, Wash.

Sagebrush Power Partners LLC, a wholly owned subsidiary of Horizon Wind Energy LLC, has submitted a request to BPA to interconnect up to 108 MW of electricity generated from Sagebrush's proposed Kittitas Valley Wind Project to the federal transmission system. In order for BPA to interconnect the project, BPA would need to construct a new substation adjacent to its Columbia-Covington 230-kV line. BPA accepted comments on the proposed interconnection through Aug. 25. For more information, go to www.transmission.bpa.gov/PlanProj/Wind/.

Libby (Flathead Electric Cooperative)-to-Troy Section of the Libby-to-Bonniers Ferry 115-kV Transmission Line Rebuild – Lincoln County, Mont.

BPA has decided to rebuild a 17-mile section of the Libby-to-Bonniers Ferry single circuit 115-kV transmission line to provide stable and reliable transmission service. BPA issued the ROD in July 2008 based on the Final EIS, which was released in May 2008. Road-widening work on Sheep Range Road near the east end of Kootenai River Road will begin Sept. 2. An informational public meeting will be held at the Kootenai National Forest Supervisor's Office on Sept. 4. For more information on the ROD or meeting, go to www.efw.bpa.gov/environmental_services/Document_Library/Libby/.

TRANSMISSION – PROJECTS UNDER CONSTRUCTION

Olympic Peninsula Transmission Line Reinforcement Project – Thurston and Mason Counties, Wash.

BPA completed the EA and FONSI and made a decision to proceed with the project. Activities include removing most of its existing Olympia Shelton No. 1 115-kV transmission line (structures and conductor) from Olympia Substation to Shelton Substation and replacing the last 14.5 miles of this line into Shelton Substation with a double-circuit 230-kV line on lattice steel towers. This will improve voltage stability during winter-peak load conditions on the Olympic Peninsula. The project is expected to be complete in fall 2009. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Olympic/.

Palisades-Goshen Transmission Line Reconstruction – Bonneville and Bingham Counties, Idaho

BPA completed a revision sheet to the preliminary EA, a Mitigation Action Plan and a FONSI in May. The FONSI was signed May 30. BPA has decided to rebuild the Palisades Goshen line due to its age and deteriorated condition to ensure safe and reliable transmission service. Access-road construction began in June and line construction began in July. The project is expected to be complete in 2010. For more information, go to www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

SUPPLEMENT ANALYSES

SA-379 – Naselle-Tarlett danger trees, Pacific County, Wash.

SA-380 – Satsop-Aberdeen No. 1 & 2, Grays Harbor County, Wash.

SA-381 – Little Goose-Lower Granite, Structures 16/3 to 16/4, Garfield County, Wash.

SA-382 – Monroe-Custer No.1 from tower 7/5 to 46/1, Snohomish and Skagit Counties, Wash.

SA-383 – Raymond-Henkle Street No. 1, Pacific County, Wash.

SA-384 – Libby-Troy section of the Libby-Bonniers Ferry No. 1, Lincoln County, Mont.

SA-385 – Olympia-Shelton, Thurston and Mason Counties, Wash.

SA-386 – System-wide Emergency Management of Vegetation Encroachment throughout BPA's service area

CALENDAR OF EVENTS

To view BPA's public involvement calendar, visit www.bpa.gov/corporate/public_affairs/Calendar/.

The Journal is a monthly publication of the Bonneville Power Administration. If you have questions or comments, or you want to be added to the mailing list for any project, call toll free (800) 622-4519.

To order copies of documents, call: (800) 622-4520 or (503) 230-7334. Written comments may be sent to: BPA, P.O. Box 14428, Portland, OR 97293-4428. E-mail address: comment@BPA.gov. BPA home page: www.bpa.gov. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see www.efw.bpa.gov/environmental_services/nepadocs.aspx. Process Abbreviations: EA-Environmental Assessment, EIS-Environmental Impact Statement, ESA-Endangered Species Act, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision.